



**TESTIMONY OF  
KURT BARWIS  
BEFORE THE  
APPROPRIATIONS COMMITTEE  
Friday, February 22, 2013**

***HB 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015,  
AND OTHER PROVISIONS RELATING TO REVENUE***

Good afternoon. My name is Kurt Barwis and I am president and CEO of Bristol Hospital and Health Care Group. I am here today to testify in opposition to ***HB 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE.***

The budget proposed by Governor Malloy will devastate Bristol Hospital.

It will devastate our patients.

It will devastate our staff and the communities we serve.

Since 1921, Bristol Hospital has been the leading health provider for people in the Greater Bristol area. We have earned national recognition for our commitment to providing outstanding patient care, and more recently, we received national recognition for our efforts in quality and patient safety as well as for increasing patient satisfaction scores in our Emergency Center and inpatient units. No one is turned away from our services and we are open 24 hours a day.

Bristol Hospital plays a critical role in our economy as our community's third largest employer. We employ 1,621 people most of whom reside in the communities served by the hospital. Businesses large and small depend on us to provide care to their employees and we support them with our purchases. When there is a disaster, hospitals play a critical role in support of the basic needs of residents, not just related to healthcare. In total, we have an annual economic impact on our community of more than \$160 million. That is one of the reasons defunding hospitals hurts us all.

Bristol Hospital's historical financial statements **do not** show the story of a hospital that received any windfall from moving the SAGA patients into Medicaid. The increase we received was completely wiped out by a corresponding 19% increase (2008 to 2012) in the volume of Medicaid patients shifting our payer mix during the same period from 17.6% to 21.2% (Medicaid), a 20.4% increase. What these historical financial statements demonstrate is a team of employees and healthcare professionals that worked extremely hard to become more efficient and effective reducing "the cost of care" - while at the same time improving the safety, quality and patient experience they delivered. We have streamlined our processes, reorganized our staff and have had to make many difficult decisions to get to a stable financial footing.

As the chart below proudly demonstrates the Bristol Hospital team delivered a five (5) year average overall expense increase of less than two percent (2%) while maintaining a cost per discharge that is 18.4% lower than the state average. If you remove the year to year extreme expense increases from the defined benefit pension plan we curtailed with a hard stop in 2007 and replaced with a defined contribution plan - the average expense increase would be negative. All of this was not without personal sacrifice on the part of our employees. We have not been

able to make a full contribution to their defined contribution plan in any of the last five years. They have seen increased cost in their portion of our health insurance plan coupled with increased deductibles and co-pays, amongst many other sacrifices.

**How does anyone explain to this incredible team of people whom collectively deliver outstanding results that we will be the beneficiary of extreme reimbursement cuts so the State can increase its total expenditures by 5.1% in FY 14 and 3.9% in FY 15?**

Quite simply, Bristol Hospital cannot continue to absorb the deep cuts that the state keeps leveling at hospitals.

In December, in an effort to balance the state budget, the Governor turned to hospitals. The members of the General Assembly, not just the Governor, agreed collectively to cut Bristol Hospital by \$593,000 and we are struggling to cope with this cut. Now, the State is again turning to hospitals to make up the deficit. This time, you are planning to cut more than \$3.15 million from our hospital over the next two years.

Something has to give and it will not be our mission of providing safe and high quality patient care. We remain committed to focusing on quality and patient safety initiatives, and efforts to improve care efficiency. We need our staff to keep their focus on patients, and not be distracted by worry that they will lose their jobs.

But we will have no choice but to cut services and programs. Unfortunately, we will have to look first at those programs and services that, although they greatly benefit families in our community, lose money. More often than not, these are the programs that help the neediest in our communities. Also, jobs will inevitably be affected since hospitals are about people providing care to people, and our single largest cost is staffing.

As you know, we are in the midst of major changes in health care, and in addition to the negative proposed impact from the Governor's budget, we are bracing for huge federal cuts.

Our patients are relying on you. Our staff is relying on you. Our communities need you to protect hospital funding. As you develop your budget, please protect Connecticut's hospitals and the health of our state's residents.

Thank you for your consideration of our position.

## BRISTOL HOSPITAL, INC.

	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	5 YR AVG
Operating REV.	110,287,028	118,746,207	125,882,709	129,707,190	132,201,978	132,041,796	135,534,475	
Operating EXP.	119,727,760	122,064,635	125,713,012	129,657,399	130,987,633	131,894,527	134,486,303	
Gain/(Loss)	(9,440,732)	(3,318,428)	169,697	49,791	1,214,345	147,269	1,048,172	

  

	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	
Operating Margin	-8.56%	-2.79%	0.13%	0.04%	0.92%	0.11%	0.77%	<b>0.40%</b>
EXP. INC.		1.95%	2.99%	3.14%	1.03%	0.69%	1.97%	<b>1.96%</b>